AUDIT AND GOVERNANCE COMMITTEE

Report subject	**Risk Management – Corporate Risk Register Update**
Meeting date	22 October 2020
Status	Public Report
Executive summary	This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows: • The comprehensive review of the Corporate Risk Register including the incorporation of the COVID-19 risks.
Recommendations	**It is RECOMMENDED that:** **Members of the Audit and Governance Committee note the update provided in this report relating to corporate risks.**
Reason for recommendations	To provide assurance that corporate risks are being managed effectively and continue the development of the council's arrangements for Risk Management and enhance its governance framework.

| Portfolio Holder(s):	Cllr Drew Mellor, Leader of the Council
Corporate Director	Graham Farrant – Chief Executive
Report Authors	Fiona Manton Risk & Insurance Manager ☎01202 451274 fiona.manton@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Update and Information

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
1. Risk can be broadly defined as the possibility that an action, issue or activity (including inaction) will lead to a loss or an undesirable outcome. It follows that Risk Management is about the identification, assessment and prioritisation of risks followed by co-ordinated control of the probability and impact of that risk.

2. In accordance with the Financial Regulations and the Risk Management Strategy, the Audit and Governance Committee are specifically responsible for ensuring appropriate and effective risk management processes. In practice, this means that the committee members must assure themselves that the council's Risk Management framework is appropriate and operating effectively. The council's Corporate Risk Register is an important element of this framework and is reviewed and updated on a quarterly basis.

3. In line with the decision-making framework in place for BCP Council it was agreed that, effective from day one, BCP Council would, as an interim measure, adopt the legacy Bournemouth Risk Management framework. The scoring matrix in this framework was adjusted to reflect the increased remit of the new authority. A revised Risk Management framework for BCP Council will be developed during 2020.

4. In addition to the quarterly reviews, in immediate practical terms, the Corporate Management Board continues to monitor risks and ensure appropriate and proportionate mitigating actions continue and evolve as risks change.

Corporate Risk Review

5. Members will recall from the last risk update in July 2020 that in light of the changing risk landscape a comprehensive review of the Corporate Risk Register was scheduled to be undertaken during this quarter. This review has been completed giving consideration to the existing corporate risks and incorporating the risks identified in the COVID-19 Corporate Risk Register. A new set of risks has been created relevant to the current position with the pandemic and how services continue to respond.

6. Please see the following details of each of the risks that appeared on the Corporate Risk Register in July 2020 and the position of each in terms of the review that has taken place.

Updated Corporate Risks

Risk Reference	Risk Title	Gross Risk Score	Risk Owner	Net Risk Score
CR1	Failure to respond to the needs arising from a changing demography		Chief Executive	
Commentary: In agreeing this as a continuing risk the cause is expanded to include and consider the impact of the ending of the furlough scheme and any replacement government initiatives. The risk is wide in nature and will be informed by updates from all Corporate Directors to include any additional impacts of the pandemic on service delivery requirements. This includes the relevant elements of the risks identified as CV3, CV10 and CV12.				
CR2	Failure to deliver effective safeguarding arrangements for children and adults		Chief Executive	
Commentary: The content of this risk has been split to separate out the risk around improved outcomes for children. This is now a separate risk at CR12 below. The risk will now also be monitored in the context of the changes that have arisen as a result of the pandemic and the other continuing challenges to the delivery of effective safeguarding and statutory responsibilities. This includes the relevant elements of the risks identified as CV3 and CV10.				
CR3	**Risk Removed** - Failure to ensure adequate Information Governance		Corporate Director of Resources	
Commentary: This risk was evaluated and whilst continues to be of importance, was deemed to sit at a level below the corporate risks. On this basis the level of risk will be monitored by the Information Governance Board with the Senior Information Risk Owner being responsible for escalating the risk to Corporate Management Board should they consider the level to be increasing. Service level risk registers to consider the inclusion of this risk if not already present.				
CR4	Failure to provide adequate IT and cyber security		Corporate Director of Resources	
Commentary: This risk continues as a corporate risk and includes the additional considerations of the pandemic including the increase in remote working. It is also reflective of the increasing dependency on the IT infrastructure. The changes to the external environment that has evolved over the last 6 months with publicly reported increases in phishing and an increase in the sophistication of cyber attacks are relevant risk factors.				
CR5	**Risk Removed** - Failure to plan effectively for EU Transition		Chief Executive	
Commentary: This risk continues to be relevant but will be managed at a level below the corporate risk register. Services will be asked to consider any risks to the delivery of their services and oversight of the risk at a strategic level will be maintained by the Corporate Director of Regeneration & Economy.				

Risk Reference	Risk Title	Gross Risk Score	Risk Owner	Net Risk Score
CR6	**Risk Removed** - Failure to adequately respond to an incident involving the activation of the emergency plan		Corporate Director of Resources	
Commentary: This risk continues to be current but after evaluation will be managed at a level below the corporate risk register. The risk will be included under the Finance Director's risk register and escalated as necessary. Consideration of the risk level will routinely be reviewed by CIMT as part of the continuing response to the pandemic or any other concurrent incidents that require the activation of the emergency plan. This incorporates risk CV11.				
CR7	**Risk Removed** - Failure to provide adequate services as a result of an incident requiring a business continuity response		Corporate Director of Resources	
Commentary: This risk continues to be current but after evaluation will be managed at a level below the corporate risk register. Each service will be asked to consider this as a risk within their service risk registers and escalate as necessary via the relevant corporate director should the level increase.				
CR9	Failure to maintain a safe and balanced budget for the delivery of services		Director of Finance	
Commentary: This risk now includes the additional financial impacts relating to the pandemic (CV4 and CV7). It reflects the degree of uncertainty around the financial risk which makes financial planning extremely difficult. It considers the pressure on traditional income streams, the fluctuations in service demands and the future financial uncertainties as the pandemic continues. The budget process allows for rapid decisions to be taken to deal with urgent budgetary pressures.				
CR10	Failure to deliver effective health and safety to protect staff, councillors and the public (affected by our acts)		Corporate Director of Environment and Community	
Commentary: In general terms this is an operational risk and each service of the organisation is asked to consider this as part of the evaluation of the risks to the individual services. In addition, the Health and Safety and Fire Safety Board have a separate risk register. The inclusion on the corporate risk register continues whilst the policies and procedures of the organisation continue to be embedded following LGR. Within this risk, consideration is also given to the additional health and safety requirements of the pandemic (CV2 and CV9).				
CR11	Ability of the council to function and operate efficiently in the delivery of single services across the area of BCP.		Chief Executive	
Commentary: The title of this has been amended to clarify the risk. It recognises the complex reorganisation that created a new council from 1 April 2019 and the ambitious transformation programme taking place with the on-going challenges of a pandemic. It reflects the risks identified in CV1 and CV6.				

Risk Reference	Risk Title	Gross Risk Score	Risk Owner	Net Risk Score
CR12	Failure to achieve appropriate outcomes and quality of service for young people	New	Interim Director for Children's Services	New
Commentary: This risk has previously been considered as part of corporate risk 2. It is now separately identified and reviews will include the impacts of the pandemic on the services provided to young people. This includes risks CV3 and CV10.				

Risk Reference	Risk Title	Gross Risk Score	Risk Owner	Net Risk Score
CR13	Failure to deliver the transformation programme	New	Corporate Director of Resources	New
Commentary: This is a new risk for inclusion on the corporate risk register and links to risk CR11. It will include the risks identified under CV8.				

Risk Reference	Risk Title	Gross Risk Score	Risk Owner	Net Risk Score
CR14	Change to Public Health arrangements and Outbreak Management Plan	New	Chief Executive	New
Commentary: This is a new risk for inclusion on the corporate risk register. The Outbreak Management Plan sets out how the council will work together to identify and contain any potential outbreaks of COVID-19 and what this might mean for residents, businesses, communities and visitors.				

Risk Reference	Risk Title	Gross Risk Score	Risk Owner	Net Risk Score
CR15	Effective People Strategy	New	Chief Executive	New
Commentary: This is a new risk for inclusion on the corporate risk register. It reflects the multiple complex demands on the workforce both in the last 6 months and as the council continues to respond to the pandemic, progress the transformation programme and maintain services across Bournemouth Christchurch and Poole.				

7. To assist Members in interpreting the scoring of the above risks, the risk matrix used for this purpose is included as Appendix 1.

8. As part of the process to create the above the following COVID-19 risks were considered and incorporated into the updated Corporate Risks.

COVID-19 Risk Register

Risk Reference	Risk Title	Gross Risk Score	Risk Owner	Net Risk Score
CV1	Leadership		Chief Executive	
CV2	Colleagues		Chief Executive	
CV3	Customer		Corporate Director of Resources	
CV4	Financial		Chief Executive	
CV5	Legal		Chief Executive	
CV6	Communication		Corporate Incident Management Team	
CV7	Contractual		Corporate Director of Resources	
CV8	Property & Assets, Transformation		Corporate Director of Resources	
CV9	Property Assets		Corporate Director of Resources	
CV10	New or Extension of Services		Chief Executive	
CV11	Multi Agency risk		Chief Executive	
CV12	Wider Community Role		Chief Executive	

9. COVID-19 risks CV5 Legal and CV6 Communication are not referenced separately. Aspects of both risks are relevant across many of the Corporate risks and have been considered as such.

10. Members will note that in addition to amalgamating the two risks registers the Corporate Management Board also included four new Corporate Risks. These are identified at CR12 to CR15. Each of these risks will be reviewed in detail over the next quarter with an update to the next meeting of this committee.

11. It should also be noted that four Corporate Risks are highlighted to note they are to be removed from the Corporate Risk Register. These will continue to be monitored and if the level of risk increases, they will again be considered in the context of the Corporate Risk Register by the Corporate Management Board.

12. Each of the new Corporate Risks will now be reviewed in detail with attention to the controls or actions in place to mitigate either the impact or likelihood of the risk arising. This will in turn support a review of the net score of each risk to ensure the controls are operating effectively and the anticipated reduction is risk is being achieved.

Horizon scanning

13. The Corporate Risk Register is a dynamic document that reflects the current risks to achieving the council's objectives. Ensuring the risks remain current and relevant requires Corporate Directors to routinely reflect on different or new areas of risk including the environment external to the council. During this quarter the following were considered but not included at this time:

    - Climate Change Action
    - Sustainability
    - AI Technologies and Ethics

    These will continue to be reflected upon in future reviews along with other emerging risks which impact not only directly on the council but also the wider environment in which the council operates or is impacted by.

14. In this respect the risk landscape continues to evolve materially with many new risks emerging as a result of the pandemic. These may not be obvious at the outset and this therefore supports the need for the review process to be completed regularly and it is usual for risks to be routinely added or removed from the Register.

Service development

15. In addition to the reviews of corporate risks, the Risk Management Team continues to be engaged in the refresh of service risk registers. This includes engaging with services to understand their current risk arrangements, how these can be improved to deliver a proactive and dynamic risk management environment, and how the Risk Management Team can support them in this to deliver a consistent and embedded approach to Risk Management throughout the council. During the current year this involves a mixture of arrangements that will gradually be working towards a new service risk register for each area in BCP Council. This work continues.

16. Work continues on the drafting of a new Risk Management framework for BCP Council. Consideration will be given to the new council's risk appetite and the processes for managing risk consistently across the council. This will also include the mechanisms for risk reporting and risk escalation.

17. The Risk and Insurance Team continues to work remotely having moved to electronic file management in January 2020.

Summary of financial implications

18. Financial implications relevant to risks are detailed within the relevant risk registers.

Summary of legal implications

19. There are no direct legal implications from this report.

Summary of human resources implications

20. There are no direct human resources implications from this report.

Summary of sustainability impact

21. There are no direct environmental implications from this report.

Summary of public health implications

22. There are no direct public health implications from this report.

Summary of equality implications

23. There are no direct equality implications from this report.

Summary of risk assessment

24. The risk management implications are set out within the content of this report.

Background Papers

Risk Management – Corporate Risk Register Update Report to the Audit and Governance Committee on 30 July 2020

Appendices

Appendix 1 – Corporate Risk Scoring Matrix

BCP Council

Audit and Governance Committee – 22 October 2020

Corporate Risk Register Update

1. The table below is a key to the scoring of the risks.

THREATS					
	Almost Certain (4) >90%	4	8	12	16
	Likely (3) 60 – 90%	3	6	9	12
Likelihood	Could Happen (2) 20 – 60%	2	4	6	8
	Unlikely /Rarely (1) 0 – 20%	1	2	3	4
		Low (1)	Medium (2)	High (3)	Extreme (4)
	Impacts				